









AMERICAN TOPICS

U.S. Moves to Save The Vanishing Shark

The National Oceanic and Atmospheric Administration plans to curtail both commercial and sports fishing of 39 species of sharks in U.S. waters of the Atlantic Ocean, Caribbean Sea and Gulf of Mexico extending 200 miles (320 kilometers) from shore.

In the 1980s, the commercial shark catch jumped from less than 500 tons a year to about 7,500 tons as shark meat grew in popularity. There is also a booming Asian market for fins, the principal ingredient of shark-fin soup.

About People

Arthur C. Clarke, who wrote the screenplay for the 1968 film, "2001: A Space Odyssey," says that every ability he gave HAL, the mad spaceship computer, has been shown to be at least theoretically possible.

Short Takes

Under a Freedom of Information Act request, New York state officials have reluctantly disclosed statistics on surgeons' success rates in heart operations, a sort of surgical scorecard.

Why are hospital gowns so skimpy? "Because," writes Joel Achenbach in the "Why Things Are" column of the Washington Post after checking with hospital supply companies, "that requires less fabric and costs the hospital less."

After mechanical bronies and dwarf-tossing, the newest bar-room craze is Veltro wall-jumping. Contestants don lightweight zippered jumpsuits covered in the back with Veltro strips.

In those countries, where there are no dealerships for certain cars, thieves can get twice the value of a car, said Deputy Inspector Ronald G. Thrash, the commander of the Auto Crime Division.

U.S. Diplomats Need Speakers of Uzbek

The breakup of the Soviet Union poses a language problem for U.S. diplomats. The Washington Post reports, throughout the Cold War, a knowledge of Russian was sufficient.

After Attacks, N.Y. Parents Teach Children Survival Tactics

By Sara Rimer New York Times Service NEW YORK — Dominick Masullo allows his 13-year-old son to go by himself to the store, about a block from their home in the northeast Bronx — but not without specific instructions about what to do if a stranger approaches or he senses some other danger.

Parents everywhere worry about what could happen to their children, but in the city it can be a daily obsession. And all the worst nightmares of urban parents have been increased in recent weeks by a series of unconnected events.

They included several ugly racial incidents in the Bronx, which began when a gang of white youths smeared white shoe polish on a black boy and his sister, and continued with the rape of a 15-year-old girl in Brooklyn who was abducted while waiting for a bus.

Each incident seemed more horrifying. Doctors have confirmed that the man accused of sodomizing the 11-year-old boy has AIDS. The 15-year-old girl told the police that when she asked her attackers, who were black, why they had forced her into a car and raped her eyes shut, they told her: "Because you're white and perfect."

mother agreed. "This is the first time since she was born," she said, "that she has a real sense of freedom."

Export Car Pirates Take at Gunpoint

By Dennis Hevesi New York Times Service NEW YORK — Spurred by a foreign clientele willing to pay up to double the value of a luxury automobile, armed thieves have been hijacking cars on highways, in parking lots and on the streets of New York City and its suburbs, the police say.

In those countries, where there are no dealerships for certain cars, thieves can get twice the value of a car, said Deputy Inspector Ronald G. Thrash, the commander of the Auto Crime Division. He added that many of the people buying the cars were "involved in illegal activities themselves."

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EXPLOSION IN CHICAGO — Fire fighters removing a victim from a collapsed building after blasts rocked residences and factories in Chicago. Caused by a faulty valve in a natural gas line, the blasts triggered 18 fires. Two persons were killed and five injured.

U.S. to Put Bigger Medicare Load on Hospitals

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# Vietnam's Legacy Lingers in '92 Race

## For Democrats, Clinton and Kerrey Are Clashing Symbols of the 1960s

**By Dan Balz**  
*Washington Post Service*

WASHINGTON — They are like bookends from the Vietnam generation, one a political innocent who went to war and returned an angry, wounded hero, the other a political sophisticate who opposed the war and never served. Their younger lives now resonate through the presidential dialogue, and they have become clashing symbols in a party that has never fully resolved the ambiguities and divisions of that time.

Senator Bob Kerrey of Nebraska and Governor Bill Clinton of Arkansas were perhaps destined to play out these roles in the 1992 presidential campaign, being the two youngest Democratic candidates and the ones touched most directly by the Vietnam era. But their pairing was assured last month in the first broadcast debate of the campaign when Mr. Kerrey, who won a Medal of Honor for his role in Vietnam, criticized a proposal for voluntary national service by Mr. Clinton, who was never in the armed forces.

The exchange was fleeting, the details less compelling than they might have appeared, largely because Mr. Kerrey's views on national service are more convoluted than his criticism would suggest. He favors national service but not Mr. Clinton's approach.

But the exchange highlighted underlying issues likely to affect voters' choices this year, and not just because of the Gulf War. As presidential politics passes from the World War II generation to the Vietnam generation, the public will have to wrestle with a new set of questions in judging its leaders.

The Vietnam era was a morally ambivalent time for many young Americans: Was it better to legally evade service in an unpopular war or accept the call for a cause in which you did not believe? The resentments over who served and who did not still linger.

Fourteen presidents did not serve in the military, but no one since Franklin D. Roosevelt has been elected president without having served. And while it is an article of faith in presidential politics that service is a necessary credential, Vietnam was a war of such conflicting emotions and lasting scars that there are unanswered questions about the des-



President George Bush singing with Coretta Scott King, the widow of the Reverend Martin Luther King Jr., in Atlanta.

# Assorting the Sorties: Presidential Trip Wire

**By Andrew Rosenthal**  
*New York Times Service*

WASHINGTON — What's the difference between a presidential trip and a Bush campaign trip? Hint: Guess who pays for official trips.

President George Bush went out of town three times last week to Kansas City on Monday to address the American Farm Bureau Federation and talk about domestic policy, to New Hampshire on Wednesday to campaign for the Feb. 18 primary and talk about domestic policy, and to Atlanta on Friday to commemorate the birthday of the Reverend Martin Luther King Jr. and talk about domestic policy.

The White House billed only the costs of the New Hampshire swing to the Bush-Quayle campaign. The other two had clear political value for Mr. Bush, but they were listed as official events and taxpayers picked up the check.

It is axiomatic that virtually everything a president does is political in some way, and administration officials and campaign aides concede that it gets harder to draw the line in a campaign year.

That is one reason Mr. Bush has yet to formally announce his candidacy. He has often said that he is running and has filed the necessary papers. But he has not made the ceremonial announcement.

Once that happens, it will be harder for the White House to claim trips as official.

The White House insists there is a distinction between official functions and unembellished electioneering. White House aides declined comment.

A trip is official when an organization or a group invites Mr. Bush to an event that is not paid for by a political body of any kind. The invitation is the pivotal element, but the president, being the president, can engineer an invitation to pretty much any event he chooses.

A trip is political when Mr. Bush attends a campaign event or fund-raising event for himself or another candidate, or any other event that is paid for by a political party or a campaign.

# Attack Kills 3 in Algerian Security Forces

**By Jonathan Randal**  
*Washington Post Service*

ALGIERS — In the first blood-letting in the week since the army in effect seized power to prevent an election victory by Islamic fundamentalists, a soldier was killed and two gendarmes were wounded early Sunday, the police said.

Few details were available about the attack, which took place at a roadblock 19 kilometers (12 miles) south of Algiers, or about a homemade bomb that reportedly exploded harmlessly against a wall of the national police headquarters.

But the incidents illustrated the uncharted dangers unleashed by President Chadli Bendjedid's abrupt resignation and the subsequent events that interrupted Algeria's democratic experiment.

Such is the mood of mutual mistrust and the long history of secret police manipulation that many Algerians suspected provocation by either the authorities or Islamic ultraradicals seeking to embarrass the Islamic Salvation Front into unwanted confrontation.

With the security forces arresting more Muslim militants, including members of the Salvation Front's ruling council, the fundamentalist party issued a statement pointing to its weeklong calls for calm and complaining that additional arrests made control of its followers difficult.

Its leaders desperately want to avoid providing the authorities with a pretext to ban the Front, which was authorized in 1989.

Why the authorities have failed to carry out public threats to ban the Front now is unclear. But analysts cite genuine aversion to further violence and sensitivity to foreign, and especially Western, criticism.

Defenders of the new military leadership say the Salvation Front is a spent force. But analysts and diplomats are concerned by the fragility of the alliance between senior army officers and civilian technocrats and the lack of discernible alternatives to protect the secular state in case of failure.

Those close to the council argue that last week's events finally produced a clear chain of military and civilian command, which will deprive the fundamentalists of support from rival leadership cliques.

The ruling State Council hopes the Salvation Front will implode, with hard-liners ranged against those in the Islamic party's leadership who won the now abortive elections.

Yet the fundamentalists' adversaries have a record of underestimating the Salvation Front's appeal to have-nots, especially Algerians under 30, who account for 80 percent of the population.

There have been official hints that Algeria will renew its democratic experiment under new tightened rules and conduct elections before December 1993. But the repeated failure to produce viable secular parties would seem to temper such prospects.

Even officials in the new council grudgingly acknowledge that the Salvation Front is the only political party in touch with the people. It has a proven record of surviving mass arrests, including those of its top leadership.

In the present crisis the Salvation Front has marked points by sniping at the council for violating its own constitution.

The armed forces intervened in the most symbolic of democratic institutions—elections—and may have trouble persuading Algerians that they still represent the last rampart protecting the secular constitution.

How Algeria's 170,000-man armed forces, consisting mostly of conscripts, would resist prolonged clashes with fundamentalist warriors Algerians familiar with the disintegration of Iran of the shah's army by fundamentalists.

At best the Algerian military hopes to have bought a breathing spell to address the economy.

Algeria is almost totally dependent on foreign exchange earnings from oil and natural gas, two-thirds of which are earmarked for repayment of the foreign debt of \$25 billion.

Fundamentalists and officials say economic salvation is 10 to 15 years away.

"We have to convince the people that there's hope," said a politician in the new government, "even if they have to wait for 10 years to see results."

# The Elusive Quest for Peace

## Militant Acts by Arabs and Israelis Put Drag on Talks

**By Thomas L. Friedman**  
*New York Times Service*

WASHINGTON — There have now been three rounds of direct talks between Israelis and Arabs since the dramatic Madrid peace conference, and it is still hard to summarize succinctly exactly where the negotiations stand.

They have clearly not achieved the high expectations raised at the formal opening of the regional peace conference in Madrid in October, but they have not broken down either. After much procedural wrangling, the old adversaries are finally talking substance, but their talks only show how far apart they really are.

There is still an enormous gap between the behavior of the negotiators at the table and that of the people back in the Middle East in whose name the negotiations are taking place. The Palestinians at the table talk of peace and coexistence with the Israelis, but then their compatriots back home do their best to negate that by shooting Israeli civilians in the West Bank and the Gaza Strip. The Israelis talk of granting the Palestinians self-rule in the West Bank and the Gaza Strip, and then go on a new campaign to build Jewish settlements to irreversibly control these very same territories.

While some of the extreme gestures on both sides are opposed by the respective establishments, the leaders have not moved decisively to restrain the militants.

What this behavior suggests is that the parties, which were persuaded in come to these negotiations by largely external forces — primarily the United States — still have not been ready to impose on themselves the internal changes that will be necessary for real progress and agreements.

Conditions are not ripe for progress now, because the Palestinian-Israeli conflict is not ripe for a solution," the Israeli historian Mevor Benvenisti argued. "Their dialogue of deeds on the ground is contradicting their dialogue of words in Washington. Israelis and Palestinians still have not come to terms with the fact that they must live together side by side. Once they really admit that they cannot have it their own way on the ground, then you will see progress at the table."

Mr. Benvenisti compared the Middle East to South Africa, arguing that progress in the South African conflict finally came about once blacks, under the leadership of Nelson Mandela, acknowledged that the white South Africans were not colonialists who could one day be uprooted, but rather an indigenous people, there in stay. Equally important, Mr. Benvenisti continued, was the recognition by South African whites that the blacks were not part of some external conflict, but fellow South Africans with whom they too would have to live side by side. Therefore their negotiations became talks about coexistence, and the nature and quality of a life they were destined to live together.

The Israelis and Palestinians, as evidenced by the recent negotiations in Washington, have not reached that stage yet.

The Israelis continue to insist that the Palestinians are part of a Jordanian delegation. The Palestinians continue to refer to the Israelis as colonial occupiers. While the Palestinians only refer to the "occupation" as applying to the West Bank, Gaza and East Jerusalem, which were captured in the 1967 war, their spokesmen never say that the Jews are in their homeland.

The Palestinians on the ground continue to try to drive home their point by killing Israeli settlers in the West Bank and Gaza Strip, while the Israelis try to drive home their point by building more settlements in the very same areas. That dynamic clearly overwhelmed the talks here this past week.

Once the talks did begin, the Palestinians presented their plan for self-rule in the occupied territories, essentially calling for the Israelis to get out of the West Bank and Gaza Strip entirely, and the Israeli delegation could not even present a counterproposal because Prime Minister Yitzhak Shamir's hard-line coalition partners would not let him.

Small compromises were made. The Israelis, while insisting on maintaining the idea of a Jordanian-Palestinian delegation, did agree to deal with the Palestinians as a subcommittee, provided that two Jordanians were also in the group.

The Palestinian delegation has, for the first time, introduced a proposal for self-rule in the occupied territories, temporarily postponing their demand for independence. Israelis and Palestinians did resolve their procedural dispute about the shape of the table, with a written understanding.

"There is a historical process of reconciliation taking place, but whether it will actually lead to reconciliation is hard to determine," argued a Palestinian negotiator, Sari Nussibeh. "People are now talking in ways they have never talked before. There were negotiations, give and take, between Israelis and Palestinians over a document for self-rule that we submitted. It is inch by inch, but you can't dismiss it."

# TRADE: New Hampshire Primary Shapes Up as a Test of U.S. Policies

**(Continued from page 1)**

would "stand up to the tough-minded nationalists looking out for Japan first."

In the Democratic contest, Senator Bob Kerrey of Nebraska tried to close ground on Mr. Clinton and Mr. Tsongas with a television advertisement in which he vowed to "tell the Japanese, if we can't sell in their market, they can't sell in ours."

Mr. Tsongas and Mr. Clinton have argued for liberal trade, emphasizing domestic policies they say would improve U.S. competitiveness. But Mr. Clinton has recently toughened his criticism of Japan's market restrictions.

Unlike the other Democratic candidates, Senator Tom Harkin of Iowa opposed giving Mr. Bush "fast-track" authority to negotiate a free-trade agreement with Mexico, a stance that endeared him to organized labor. But he and Edmund G. (Jerry) Brown Jr., a former California governor, have not emphasized the issue as much as the others.

According to opinion surveys, the public sees the trade issue as a complex question. In September, the Council on Competitiveness, a private group, sponsored a national poll on the issue. It found growing concern and pessimism about the U.S. competitive position in the world. Respondents registered a strong belief that Japan in particular "breaks the rules of fair trade," but they also blamed U.S. economic problems more on the failings of the U.S. government, business and education system than on "unfair foreign competition."

The tariff issue, as it was then called, was a perennial American political issue beginning after the Civil War, with the industrial age, until World War II. But from Franklin D. Roosevelt through Ronald Reagan, presidents from both parties persuaded bipartisan majorities in Congress to support efforts to lower tariffs and other barriers to international trade.

In the 1980s, however, as Japan's persistent trade surpluses and the shift of U.S. jobs to factories abroad raised apprehension among U.S. workers and businesses, some presidential candidates in both parties experimented with more "protectionist" rhetoric.

In 1980, John B. Connally, a former Texas governor and secretary of the Treasury seeking the Republican nomination, promised to keep subsidized Japanese exports sitting "on the docks in Yokohama," but failed to score.

In the Democratic race in 1988, Representative Richard A. Gephardt of Missouri won an upset victory in the Iowa caucuses. Before the caucuses, Mr. Gephardt had come to be viewed as a strong protectionist. In a campaign advertisement, he had said that the popular South Korean car Hyundai would cost \$48,000 if the United States had imposed the same import restrictions that South did. And in Congress, he had sponsored legislation aimed at forcing exporters such as Japan and South Korea to open their markets to U.S. products. But he was unable to sustain the advantage in New Hampshire and later primaries.

# BELFAST: War Has Become Convenient Part of Province's Status Quo

**(Continued from page 1)**

other countries, the dispute would have been settled on the shop floor or in court.

After 23 years of political violence known here as "The Troubles," most people deny sectarian killing — including some of those involved in it. But many have become resigned to it as a permanent part of the status quo. And behind their acceptance is Northern Ireland's darkest secret: that the status quo is tolerated because it serves, in some way, many interests in this messy but, for the dead number only about half of those killed in car accidents. The violence provides the rationale for more than 20,000 jobs in the security forces here, most of which go to Protestants. It is at the root of more than \$3 billion a year in subsidies that cushion Britain's poorest province from the vicissitudes of recession. And local leaders invoke it to hold together fraying constituencies by giving the people something to fear and unite against.

"You're safer here than you are on the streets of France or the sidewalks of New York," said Tom Hadden, a political scientist and commentator. "For many people, life is quite good especially if you're a Protestant. The status quo is not comfortable, but it's livable. So there's no great hurry to do anything. Everyone says we don't have to make a deal now."

Northern Ireland has taken its place alongside Israel and South Africa as part of an Iron Triangle of protracted ethnic struggle.

"We're in an era when proxy wars between the superpowers are coming to an end and the kind of communal violence epitomized by the kind of communal violence epitomized by Northern Ireland, South Africa and Israel is taking their place," said Aryeh Neier, executive director of the New York-based Human Rights Watch. "In some ways it's a much more dangerous era because ideological conflict you can mediate, while communal conflict is often seen as nonnegotiable."

As a foreign correspondent for The Washington Post, I have spent most of the past decade covering the triangle and been struck over and over again by the echoes among the three.

The analogy is tricky because each is historically and sociologically unique. But their dilemmas and evasions, their sense of siege and of

entrapment in a winner-takes-all contest, their dreams and their nightmares are all in a fundamental way the same. And human emotions such as pride, anger, fear and humiliation play a crucial role.

This series takes a new look at these three conflicts to assess what has changed, and what has not, and the lessons they hold.

It begins in Northern Ireland, where Winston Churchill wrote after the end of World War I. "The integrity of their quarrel is one of the few institutions that has been unaltered in the cataclysm which has swept the world."

Churchill's words still echo down the grimy streets of West Belfast, the modern locale for a struggle between the British and the Irish that began centuries ago.

Since 1969, when civil strife broke out anew between the Protestant majority and Catholics in the province, the IRA has waged a violent campaign to expel British forces and reunite Northern Ireland with the overwhelmingly Catholic republic to the south.

Twenty-thirty years and nearly 3,000 deaths later, gunmen from the IRA and from their Protestant paramilitary opponents are still trading bombs and bullets with each other and with British security forces. And the urban landscape in the working-class Protestant and Catholic neighborhoods here is still dominated by 18-meter-high (60-foot) watchtowers, reinforced concrete-and-steel security walls and razor-wire fences.

Yet the bombers get through. The outlawed IRA recently launched a new bombing spree in central Belfast in which a 270-kilogram (600-pound) car bomb crumpled the front of the city's largest hotel and ripped the roof off the local opera house. It was the kind of explosion that Belfastians had not seen for years.

The conflict's victims include not only those killed or wounded but also those traumatized by years of violence. People generally look older than their years. They smoke too much and drink too much, laugh too loudly and too nervously.

"You have to look at Northern Ireland as an education in human nature," said Mina Wardle. "Otherwise, it'll drive you crazy."

When it comes to the politics of violence, few hands are completely clean. The IRA clings to

armed struggle because it says that is the only way to force the British to leave. But two decades of violence have not succeeded, and even some supporters admit that the armed struggle gives the IRA power and leverage within the Catholic community that it otherwise would lack.

The moderate, predominantly Catholic Social Democratic and Labor Party led by John Hume opposes the IRA. But it, too, enjoys political clout and attention in places like London, Dublin and Washington that it might not merit were Northern Ireland just another British province.

Similarly, the two main Protestant parties led by the Reverend Ian Paisley and James Moynihan maintain much of their own leverage through frequent denunciations of the IRA.

The only major entity that seems to draw little or nothing from the arrangement is the British government. It pays out more than \$3 billion a year in subsidies for security and economic development in the province and is frequently embarrassed when human rights groups, such as Amnesty International and Helsinki Watch, spotlight abuses by security forces and allegations of links with Protestant death squads.

The British public is equally unimpressed. Although polls consistently show a clear majority in favor of military withdrawal, the issue hardly registers in electoral politics.

But Britain does not pull out. That is partly because of domestic politics; both the ruling Conservatives and opposition Labor Party would be badly split by such a move. And it is partly because the British fear that the army's departure could lead to a bloodbath much worse than the violence that brought troops there in 1969.

Instead, Britain works the diplomatic margins. Last year, Northern Ireland Secretary Peter Brooke succeeded in bringing together Protestant and Catholic political leaders, excluding IRA supporters, for the first formal talks in 16 years. Within weeks, the talks broke down over procedural issues. Nonetheless, Mr. Brooke is trying again this month. He has, officials contend, no other choice.

**NEXT: South Africa**

# The Commerzbank report on German business and finance

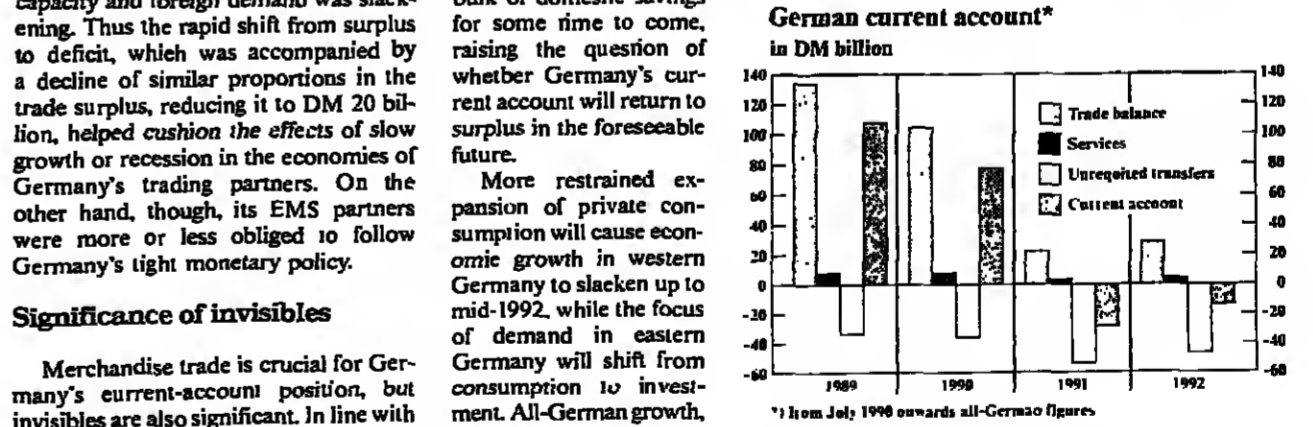
## Germany's current account in the nineties: deficits without end?

Following unification, Germany's current account — which has included eastern Germany's external transactions since July 1990 — plunged into deficit. For 1991, a deficit of around DM 30 billion is expected; this represents a drop of about DM 100 billion from the previous year's surplus — remarkably modest under the circumstances.

The surge in western German demand generated by unification came at a time when the economy was running close to capacity and foreign demand was slackening. Thus the rapid shift from surplus to deficit, which was accompanied by a decline of similar proportions in the trade surplus, reducing it to DM 20 billion, helped cushion the effects of slow growth or recession in the economies of Germany's trading partners. On the other hand, though, its EMS partners were more or less obliged to follow Germany's tight monetary policy.

Merchandise trade is crucial for Germany's current-account position, but invisibles are also significant. In line with the narrowing of the trade surplus, the deficit in trade-related services grew quickly. Rising net expenditure on travel abroad, together with a drop in net foreign investment as a result of high domestic interest rates and a strong D-mark, has reduced the overall surplus in services. Payments to finance the Gulf war added another DM 10 billion to the current-account deficit.

In 1991, buoyant domestic demand alone probably triggered a drop in the current account amounting to DM 75 billion or 3% of GNP. With its mature



industrial economy and ageing population, western Germany has long been a structural surplus country, i.e. a supplier of savings to the rest of the world. Modernization of the eastern German economy will, however, absorb the bulk of domestic savings for some time to come, raising the question of whether Germany's current account will return to surplus in the foreseeable future.

More restrained expansion of private consumption will cause economic growth in western Germany to slacken up to mid-1992, while the focus of demand in eastern Germany will shift from consumption to investment. All-German growth, however, is expected to increase in 1992 and imports will continue to expand, albeit at a lower rate than last year, which would limit the scope for an improvement in the current account. On the other hand, world trade will pick up significantly in 1992, causing German exports to accelerate. Due mainly to high domestic interest rates, a strong D-mark, and increasing net payments to the EC, there is no likelihood of an improvement in the invisibles balance (adjusted for last year's Gulf war payments). We therefore expect a

current-account deficit of about DM 15 billion for 1992; the trade surplus should rise to DM 30 billion.

The current account will probably continue to improve in 1993 and beyond, restoring Germany to its structural surplus position. As the transformation of eastern Germany progresses, the focus of demand will continue to move from consumption to public investment, and then from public to private investment. This process will produce a highly efficient

capital stock at a time when world trade will be stimulated by a widening and deepening of the EC, the reform process in Eastern Europe and the Soviet Union, and the completion of the GATT's Uruguay Round. Germany should, therefore, become a net foreign investor again from the mid-nineties onwards.

If other capital-rich countries follow suit — primarily by reducing government borrowing — the threat of a worldwide capital shortage and persistently high real interest rates need not materialize.

# COMMERZBANK German know-how in global finance

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EUROBONDS

Banks Sowed High Prices And Reap Unsold Paper

By Carl Gewirtz

PARIS — Underwriters of an ever widening supply of unsold Eurodollar bonds were able to breathe easier last week. Prices in the U.S. bond market finally turned up hope that the decline in yields — which move inversely to prices — would turn the sows of aggressively priced Eurobonds into silk purses.

But some relief is in sight as the U.S. market turned up after a week's decline.

The amount of unplaced paper highlighted the intense competition among investment banks to win business and demonstrated how the banks had swallowed their own hype about the strength of underlying demand.

Normally, Eurodollar bond prices trail developments in New York with a considerable lag. But last week, prices moved in tandem. This was widely seen as evidence that new issues had been placed in the hands of traders rather than investors.

Traders are in-and-out speculators playing the yield curve by borrowing short-term dollars at 4.25 percent to buy paper yielding up to 7.50 percent.

As prices moved against them, these speculators wasted no time in dumping the paper they had bought.

Meanwhile, massive activity in the French franc sector of the market has dribbled to nearly a halt, with only one issue last week, of 2 billion francs for Credit National.

New issues have been blocked by a tax ruling that effectively prevents French borrowers from offering bonds that are fungible with outstanding issues. In recent years, the French have made wide use of adding new bonds to existing lines in order to create large, liquid issues favored by institutional investors.

As for last week's Eurodollar issues, one of the worst hit was the \$200 million of four-year notes from ABB International, a unit of the Swiss-Swedish engineering group ABB Asea Brown Boveri.

Reoffered at a price of 99.625 for a yield of half a point, or 50 basis points, over U.S. Treasury paper, the notes finished the week at 99.25 for a spread of 62 basis points over the benchmark level.

Only three of the 13 new issues managed to end the week trading at a spread that was nearly unchanged from the offering level. Austria's \$400 million of 12-year bonds, priced to yield 30 basis points above U.S. rates, finished the week at a spread of 31 basis points.

Finland's \$200 million of three-year notes, offered at a spread of 43 basis points, closed the week at 45 basis points over the benchmark level.

THE THIRD winner was Petrobras, the Brazilian oil company, which sold one-year notes carrying a coupon of 10 percent. The size of the offering was increased to \$250 million from the initial \$175 million as the yield was 5 percentage points, or 500 basis points, over U.S. government paper.

Surprise of the week was the European Investment Bank's \$400 million of 10-year bonds priced to yield a scant 6 basis points over U.S. rates — a record-low spread at that maturity.

The paper ended the week trading at a spread of 9 basis points, still a surprise for analysts who said they saw little value in such tightly priced paper.

Overall, the EIB raised almost \$1.5 billion last week with offerings of 500 billion lire of 10-year bonds, 1 billion Swedish kronor of seven-year notes and 60 billion yen of three-year notes.

Ulrich Damm, who heads the bank's capital market activities, said the pace of borrowing was stepped up to take advantage of the favorable conditions before the euphoria evident in almost all market sectors evaporated. With the bank's lending up almost 30 percent last year, Mr. Damm said the EIB needed to replenish its treasury balances and cover itself for its estimated disbursement commitments early this year.

He said the EIB was not taking a view on interest rate developments as the only element locked in for the bank is the spread of its borrowing cost relative to government yields. The bank has an agreement with its lead managers not to draw the money raised for six months. The effective rate of interest the EIB pays is set only when it takes its money.

The EIB's own lending charges are not linked to its cost of money but to prevailing market rates when it disburses its loans. By delaying the setting of its own cost to coincide with disbursements, the bank avoids exposing itself to the risk of lending money at lower rates than its own cost of funds.

Mr. Damm acknowledged that the spread of 6 basis points on last week's dollar issue was extremely low and unlikely to hold. But he said that "investors are sophisticated enough to know what they're doing." In his view, the spread is less important to investors now than access to relatively high-coupon debt at a moderate price in the belief that interest rates are still headed lower.

That's still a gamble. The EIB dollar issue carrying a coupon of 10 percent.

See EUROBONDS, Page 9

Powerful Forces Arrayed Against High Dollar

By Carl Gewirtz

PARIS — Startled by Friday's intervention to push the dollar down against the yen, foreign exchange traders and analysts expect the dollar to keep declining this week. But they are not yet willing to say that the joint action by the Federal Reserve and the Bank of Japan has effectively blocked the currency from resuming its monthlong rise.

"It's premature to say that the dollar has been capped," said John Lipsky, Salomon Brothers' London-based economist, who last week was named the firm's chief economist.

Traders and analysts agree that it is important to both the United States and Japan to cap the dollar to redress trade flows, now heavily in Japan's favor. During President George Bush's recent visit to Tokyo, considerable public attention was paid to such sticky trade questions as Japanese dominance in autos and auto parts, but analysts believe strengthening the yen will have a

much bigger impact in reducing Japan's surplus in the long run than controversial agreements on cars.

The intervention also came shortly before the weekend's meeting of the Group of Seven industrial powers. Of the seven, three — Germany, the United States and Japan — have a stake in seeking the dollar lower, while at least two — France and Britain — have strong reasons to the contrary.

Although the medium-term outlook for the dollar depends partly on how the currency performs in coming days, there are underlying conditions that could facilitate a fall. "A fall below 123 yen or below 1.56 Deutsche mark and it's all over for the dollar," said Simon Crane, an adviser to technical traders. A break below those levels could push the dollar to test its record lows set early last year, he said, while a failure to fall that far would mean that the dollar has the strength to test its latest highs of 128.44 yen and 1.64 DM set early Friday.

The dollar ended trading in New York on Friday at 124.80 yen and 1.591 DM. The closing levels were, respectively, 2.8 and 2.9 percent below the day's high for the dollar.

Analysts were impressed by the intervention in New York, although by all accounts it was relatively small. Not only did it catch the market off guard, it was executed as the dollar was retreating from its highs, giving the currency a push in the direction it was already heading.

Part of the dollar's tremendous advance over the past two weeks, rising from a low of 122.70 yen and 1.505 DM, was due to the enormous number of so-called shorts — or sales of dollars in the expectation the currency would fall further. The dollar's unexpected rise caused a buying panic as these short sales were reversed.

By the end of last week, there were virtually no short dollar positions left. That means that there is plenty of room for the dollar to fall if a handwagon betting on a continued decline were to develop.

The dollar was retreating from its highs before the intervention on the back of news of a dramatic reduction in the U.S. trade deficit in November. Although a lower deficit appears to be good news for the dollar, currency traders were dismayed by the fact that most of the improvement reflected a collapse in imports, which was taken as added evidence of how weak U.S. demand is.

"There was little doubt that the dollar's recent strength was not consistent with the recent economic data, nor to the liking of the three key players in the Group of Seven," Mr. Lipsky said.

When the industrial powers meet in Washington, the situation in the former Soviet Union is expected to be the major item on the agenda. But currency traders remain nervous about the possibility of joint undertakings on currency rates coming out of the meeting.

In addition to the favorable effect on U.S. See DOLLAR, Page 11

Hyundai, Unions In Talks

Progress Signaled In Defusing Strike

Reuters

SEOUL — Talks to avert a clash between striking workers and a large force of riot police made progress on Sunday, raising hopes for settlement of a labor dispute that is crippling South Korea's largest car-maker, Hyundai Motor Co.

"Company executives and union leaders met for nearly two hours tonight," a Hyundai spokesman said. "The union softened their hard-line stance and we narrowed some differences." He gave no details, but said the talks would resume Monday.

About 15,000 riot police officers had massed in the southeastern city of Ulsan, waiting for orders to charge through barricades of vehicles to evict the 7,000 strikers, some armed with steel pipes and Molotov cocktails, who are occupying Hyundai's plants.

Now, however, the spokesman said he expected the police would wait a few days to see if the strikers would end their occupation. The spokesman said union leaders had said they wanted to settle the dispute through dialogue.

Sunday's negotiations took place after the Hyundai group chairman, Chung Se Young, ordered executives to seek a compromise with the union, state television said.

Hyundai Motor said it expects to lose production of 25,000 cars worth \$150 million in January alone and may have to halt exports.

The company recorded sales of \$7.63 billion in 1991 and has forecast lost production will cost it about \$1.8 billion in sales in 1992.

Hyundai closed its five car plants in Ulsan on Wednesday after unions voted to upgrade a five-month dispute over bonuses and working conditions into full-scale industrial action.

The car workers seized the premises on Thursday in protest against the closure and have blocked attempts by occupation workers to enter the plants.

Seven school workers were injured on Thursday when hundreds of them clashed with the strikers as they tried to go to work.

Beijing To Unify Yuan Rate

Reuters

BEIJING — A senior official confirmed over the weekend that China plans to let its currency float and to eliminate the complex system of multiple exchange rates.

"We will gradually rationalize the exchange rate," said Li Lanqing, minister of foreign economic relations, "and gradually apply a unitary floating exchange-rate system."

Bankers and diplomats expect the official exchange rate of the yuan to slide to around 5.85 to the dollar from 5.4569 now. This will mean the end of the system under which foreigners use Foreign Exchange Certificates, which can be converted into hard currency, and Chinese use nonconvertible renminbi.

FECs are unpopular with the Communist leaders because, through black market leakage into Chinese hands, they have created a class of Chinese able to live like privileged foreigners.

In practice, the certificates can be exchanged at one rate, foreign businesses can deal in the Chinese money at official swap markets at another rate, and the black market has yet another rate.

Preparing for exchange-rate unification, officials have allowed the currency to drop about 4 percent since last April.

Bundesbank Leaders United in Mission

Richard E. Smith

FRANKFURT — Europe's most powerful monetary club, the 16-member Bundesbank policy-making council, seems to be a less happy family lately.

Members are speaking their minds more openly at a time when the council's leadership is changing guard and the council itself is undergoing its most significant restructuring since the war.

But anyone who thinks that means that the council is going to be easier to push around is likely to be seriously mistaken.

No matter how much President George Bush, Prime Minister John Major and President Francois Mitterrand lobby Frankfurt for lower rates to help them win elections, they are certain to keep running into the one thing on which all council members seem to passionately agree.

In the words of the bank's president, Helmut Schlesinger: "German inflation remains

too high and it must be cut to around 2 percent in the mid-term."

With inflation in Germany at about 4 percent, higher than in France and the United States, the Bundesbank shocked markets by raising German interest rates in December to record postwar levels, giving most of Europe little choice but to follow.

The council's seemingly unwavering focus on Germany's own backyard is provoking more and more cries abroad of Bundesbank parochialism and insensitivity.

But analysts doubt whether the groundswell of foreign pressure will much impress a body whose members have such a specific mandate and who are — and will remain — so cushioned from political interference.

Observers marvel at how quickly people from a variety of professions, regions and political persuasions seem to become committed inflation-fighters after any length of time on the council.

Some are primarily academics, some are

bankers, some are politicians. They come from Germany's depressed northern reaches and from the prosperous, hi-tech southern rim. All major parties except the Greens are represented and Social Democrats have often played key roles.

But differences among council members seem to blur and new blood joins with old on the classic Bundesbank position of the last several decades: A central bank should limit itself mostly to controlling inflation and not, as often in the United States and Japan, fashioning stop-and-go policies to help governments fine-tune their economies.

Reflecting German society as a whole, the Bundesbank council's consensus is rooted in the hyperinflation of the 1920s and the trauma of war.

New council members furthermore quickly find themselves part of a hallowed tradition credited by the German population at large

See COUNCIL, Page 9

Emirates Appear Ready to Cut Oil Production

Compiled by Our Staff From Dispatches

ABU DHABI — The United Arab Emirates issued an indirect signal Sunday that it intends to cut oil output to help the Organization of Petroleum Exporting Countries firm up sagging prices.

Three OPEC members — Libya, Nigeria and Venezuela — had previously announced production cuts. But Saudi Arabia, with output more than three times that of the

Emirates and rising, has not said whether it will reduce its production, the biggest in the cartel.

OPEC's monitoring committee is to meet Feb. 12 in Geneva to discuss ways to increase prices, which are well below the cartel's benchmark of \$21 a barrel. On Friday, light crude for February delivery rose 24 cents to \$19.15 in New York.

But on Sunday, OPEC's spokesman, Mohammad Sahlawi, who is a

Saudi, was quoted by a Saudi magazine as saying "a price of between \$18 to \$21 per barrel is acceptable."

A statement from a senior Abu Dhabi oil official advocating the cuts was made to an industry publication, Al-Jazeera, in Dubai.

"If OPEC members do not cut output, oil prices will suffer an unprecedented fall," said Suhail Farsi al-Mazroui, general manager of Abu Dhabi National Oil Co. "OPEC

should reduce output by not less than 5 percent during the second and third quarters of this year," he said, from the current level of about 24 million barrels a day.

Abu Dhabi and Dubai, the two oil-rich members of the Emirates, together have output of some 2.4 million barrels a day. By comparison, Saudi Arabia's production has reached 8.5 million barrels.

(AP, Reuters, AFP)

Losing Faith in Money, Russians Buy Oil Shares

By Celestine Bohlen

New York Times Service

MOSCOW — The line to buy a piece of the action in the People's Oil Industrial Investment Euro-Asian Corp., with its unlikely sales office in an empty hall of the Museum of the History of Moscow, is a good measure of Russians' growing panic about the vanishing value of the ruble.

"Here we are taking a risk, of course," said Nikolai Khanchenkov, 41, a scientific researcher, as he stood on the museum's drafty stairwell recently. He was waiting his turn to plunk down 1,000 rubles, roughly \$10 at the current exchange rate, for a share in the new company.

"On the other hand, if we hold on to our money, we will certainly lose it," he said. "It is that simple."

With inflation running at an estimated annual rate of 300 percent, Russians are at a loss to know what to do with their savings. Some money is being siphoned off to pay

them, they "will be worth the price of a tram ticket."

Nipek, a company with roots in the oil fields of western Siberia, is not making specific promises, although its salesmen talk vaguely about a 20 percent return on investment. Company officials say that if all else fails, Nipek will stay abreast of inflation by turning itself into a kind of primitive mutual fund, with investments in a broad portfolio of property and goods.

But what appeals to investors like Mrs. Revazova is Nipek's connection to oil. The word still has a promising ring to Russian ears, despite the difficulties of the industry in the former Soviet Union.

Oil production has fallen steadily, and according to one estimate, by the end of 1993, production will have dropped by 20 percent compared with 1991. But Mrs. Revazova is undeterred. "Raw materials are really all we have in this country," she said. Her logic helps explain the early and stunning suc-

'Here we are taking a risk, of course. On the other hand, if we hold on to our money, we will certainly lose it.'

Nikolai Khanchenkov, an investor in the new company.

cess of Nipek as it sets out to raise 3 billion rubles for an ambitious but vague program of oil exploration, refining, and processing.

Nipek's 10 founding investors — Siberian oil and commercial firms, a Soviet-Lebanese joint venture and local governments — put up a total of 25 million rubles in capital. Shares were first offered to the public on Dec. 26.

Four days after it opened its doors to the public at sales offices across the territory of the former Soviet Union, the company had sold 300 million rubles' worth of shares at 1,000 rubles each, with the average sale five shares.

Other companies, banks, and exchanges in the former Soviet Union have been selling shares in these early giddy days of capitalism, but Nipek is the first to set a share offering price that is accessible to the average Russian. Others have set minimums of 10,000 rubles or more, and, in many cases, have limited access to employees or brokers.

Nipek's general director, Anatoli S. Gumenyuk, said the company would use its capital to bring idle oil wells back to life and fill up oil refineries, now working at an average of 75 percent of capacity.

"Which oil fields, I cannot tell you, and how many is a commercial secret," said Mr. Gumenyuk, whose last job was general director of the state oil concern Komineft.

Bank Brussels Lambert

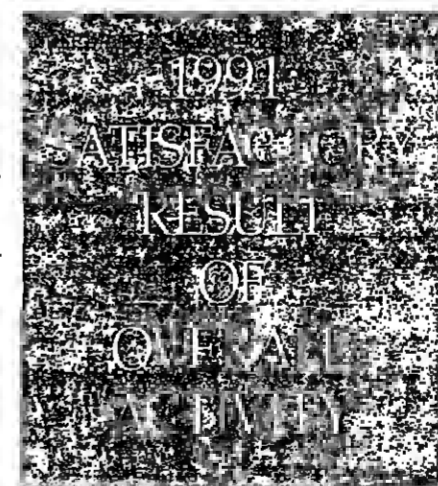
Consolidated Balance Sheet in millions of USD (\*) September 30, 1991 Variation 90/91 % (BEP)

(\*) 1 US dollar (USD) = 34.25 Belgian francs (BEP)

As shown by the increase of the balance sheet total, Bank Brussels Lambert enjoyed a gratifying fiscal year, in spite of a dull economic climate and the chill following the Gulf crisis.

Operating results are on the increase. The Bank has built up further reserves for provisions and depreciation in an effort to offset the effects of a downturn in the business trend.

Sovereign risks engendered by



countries the external debt of which has been rescheduled were covered up to 100 per cent. of their amount at the close of the fiscal year. For 1992 and the years ahead, BBL's strategy aims at further increasing profitability, expanding domestic operations, consolidating the international network and developing original financial products, amongst which insurance is expected to grow steadily.



Head Office avenue Marnix 24, B-1050 Brussels, tel. (322) 517.21.11, tlx 21.421, fax (322) 517.38.44

CURRENCY RATES

Table with columns for Currency, Bid, Ask, and other rates for various currencies like USD, DM, SF, etc.

Other Dollar Values

Table listing values for various currencies like Australian dollar, Canadian dollar, etc.

Forward Rates

Table showing forward rates for different currencies and terms.

Last Week's Markets

Table showing stock indices and money rates for various markets like US, UK, Germany, etc.



WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 323 11 30. Prices may vary according to market conditions and other factors. Jan. 17

Dollar Straights

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists various government bonds.

Governments/Supranationals

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists government and supranational bonds from various countries.

Global Corporates

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists global corporate bonds.

Banks & Finance

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists bank and finance bonds.

NEW YORK (API) -

Table with columns: Bid, Ask, Bid, Ask. Lists New York market data.

High Yielding Debt

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists high yielding debt.

Floating Rate Notes

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists floating rate notes.

Deutsche Marks

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists Deutsche Mark bonds.

Dollar Zeros

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists dollar zero bonds.

Pounds

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists pound bonds.

MUTUAL FUNDS

Figures as of close of trading Friday, Jan. 17.

Table with columns: Bid, Ask, Bid, Ask. Lists mutual fund prices.

Issuer & Mat

Table with columns: Issuer & Mat, Price, Bid, Ask. Lists various international bonds.

Dollars

Table with columns: Issuer & Mat, Price, Bid, Ask. Lists dollar-denominated bonds.

ECUs

Table with columns: Issuer & Mat, Price, Bid, Ask. Lists ECU-denominated bonds.

Issuer & Mat

Table with columns: Issuer & Mat, Price, Bid, Ask. Lists various international bonds.

NASD

OTC Consolidated Friday, (C)

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New International Bond Issues

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, and Terms. Lists various international bond issues from companies like ABB, Austria, and various banks.

For Financial Markets, Is Testing Time at Hand?

Stocks Looking Frothy As the Money Pours In

By Alison Leigh Cowan
NEW YORK — If the Japanese were galvanized by the lavish compensation of the American executives who accompanied President George Bush on his recent trip to Asia, wait till they see the latest numbers. The rising stock market has inspired that senior executives at many public companies will enjoy huge windfalls on stock options granted as far back as 10 years ago.

Bonds Are Struggling To Sustain Recovery

With the Dow topping 3,264 last week, investors are, on average, paying 32.3 times earnings. This is more than the 21.6 times they paid at the height of the 1987 bull market, said Lance Stoney, chief economist at Ned Davis Research Inc.

U.S. CREDIT MARKETS

DiClemente, director in bond market research at Salomon Brothers Inc. The market's perception of interest rate trends, as always, will govern price movements.

"It's an economy that's flat, having difficulty getting momentum going, but not contracting," said Michael Moran, chief economist at Daiwa America Securities. "The beige book will probably reflect that."

Japan Is Near Passing U.S. in Productivity

WASHINGTON — Japanese factory workers' productivity has risen more than twice as fast as their U.S. counterparts over the past 30 years, according to the U.S. Labor Department. If that growth continues, it said, Japan will surpass the United States in productivity by 1995.

EC Easing Joint Venture Rules Aim Is to Spur Cooperation in Research and Marketing

By Charles Goldsmith
BRUSSELS — European Commission officials have proposed rules designed to speed up approval of cooperative joint ventures in research, purchasing, sales planning and other business activities.

activities fall below certain market-share levels. The Commission would send a "comfort letter" so companies could proceed with reasonable assurance that their joint activities were legal.

Hitch in Czechoslovak Privatization

Prague — Czechoslovakia is rushing to buy vouchers that give them the right to become shareholders in the country's soon-to-be-privatized companies, and shortages of the coupons may require a delay in the program, the CSTK news agency has reported.

WALL STREET REVIEW

Market review table with sections: NYSE Most Actives, AMEX Most Actives, NYSE Sales, AMEX Sales, NYSE Diaries, AMEX Diaries. Includes stock prices and market activity.

EUROBONDS: Overpriced Paper Goes Unplaced

(Continued from first finance page) The lead manager, Deutsche Bank, said the long absence from the market put a scarcity value on Norway's name. In addition, the bulk of foreign demand for DM issues and other European bond issues is currently for medium-term paper, which is seen as likely to benefit most once official monetary policy is eased and short-term rates are pushed down — an event widely expected by early summer.

COUNCIL: United on Inflation

(Continued from first finance page) On an international level, few of the sixteen members have functions that require them to face foreign critics on a regular basis. Because each council member including the president has one vote, Bundesbank watchers have always been impressed by the potential voting power of the Landesbanken or "provincial princes," the presidents of the state central banks who hold eleven of the council's sixteen seats.

POLICY: Bundesbank's Anti-Inflation Rigor Provides a Rich Potential for EC Conflict

(Continued from page 1) Most economists say the Bundesbank does not deserve credit of the blame that has been heaped on it recently. Given the free-wheeling fiscal policy the German government pursued to finance unification, they argue, the Bundesbank would be behaving responsibly if it did not act to counter inflation. Sparked by German unification, whose huge expenses were woefully underestimated by Bonn, the two-year domestic economic boom fostered a wage-price spiral that Frankfurt is determined to control.

Europe's long-run interest, analysts say. "All sorts of people are blaming the Germans for high interest rates, but they would be a lot worse off if they didn't have the Bundesbank as an anchor," said J. Paul Horne, Paris-based international economist for Smith Barney, Harris Upham, a New York investment firm. "Actually, they should be saying: Thank you, Mr. Bundesbank."

Euromarkets At a Glance

Table showing Eurobond yields for various currencies and maturities, including U.S. \$ 5 yrs & over, U.S. \$ 3 yrs, etc.

Weekly Sales

Table showing weekly sales for various markets, including Straight, Convert, FRN, etc.

Libor Rates

Table showing Libor rates for various currencies and maturities, including U.S. 1-month, U.S. 3-month, etc.

Advertisement for International BusinessWeek, featuring the headline 'LIVING IN THE U.S.?' and 'NOW PRINTED IN NEW YORK FOR SAME DAY DELIVERY IN KEY CITIES'. Includes contact information for subscriptions.



NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Jan. 17.

Table with columns: Sales, High, Low, Close, Net. Lists various OTC stocks and their trading data.

Table with columns: Sales, High, Low, Close, Net. Lists various OTC stocks and their trading data.

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Table with columns: Sales, High, Low, Close, Net. Lists various OTC stocks and their trading data.

NASDAQ

CHICAGO EX

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(Continued on next page)



MUTUAL FUNDS

Table of mutual fund performance with columns for fund name, share price, and change. Includes sub-sections for 'Continued' and 'All Am'.

Table of mutual fund performance with columns for fund name, share price, and change. Includes sub-sections for 'All Am' and 'World'.

WORLD STOCKS IN REVIEW

Amsterdam: The market rally continued for a fourth consecutive week, supported by Wall Street... Hong Kong: Share prices soared during the week, propelled first by expectations... London: A combination of political and economic optimism lifted London stocks... Frankfurt: The market enjoyed a good week, rolling up a 3.42 percent gain... Zurich: The Swiss Performance Index rose 16.5 points on the week to close Friday at 1,087.97.

Paris: The Bourse showed strength as investors resisted the temptation to take profits... Tokyo: Share prices hit a 15-month low on the Tokyo Stock Exchange as the Nikkei index fell to 21,321.37... Singapore: Trading on the stock exchange began the week subdued but staged a good recovery from Wednesday to end on a firm note.

NASDAQ NATIONAL MARKET

Table of NASDAQ National Market activity with columns for stock name, price, and change. Includes sub-sections for 'OTC Consolidated trading for week ended Friday, Jan. 17' and 'Tower'.

Table of market activity with columns for stock name, price, and change. Includes sub-sections for 'Sells in' and 'Sells in'.

DOLLAR: Weakness Is Expected

(Continued from first finance page) exports of a lower dollar, Japan also has something to gain. A strengthening yen will presumably relieve threats of trade barriers being put up to curtail imports from Japan. And a stronger yen, by reducing the cost of mostly dollar-invoiced raw materials, will help drive inflation lower and foster an easier monetary policy by the Bank of Japan.

BUSINESS BRIEFS

Taiwan to Let Banks Invest in China: TAIPEI (Reuters) — Taiwan has decided to lift a four-decade-old ban on investments in China by Taiwanese banks... GM Chief Says Japan Wants It All: WASHINGTON (AFP) — Japan is not seeking a share of the U.S. auto market, it wants to take over completely... Brazil Raised \$11 Billion Abroad: RIO DE JANEIRO (Reuters) — Brazil raised \$11 billion in foreign funds in 1991, up from \$5 billion in 1990... France and Japan Chart Cooperation: KYOTO, Japan (AFP) — The French finance minister, Pierre Bérégovoy, will announce closer monetary and financial cooperation with Japan on Monday.

CHICAGO EXCHANGE OPTIONS

Table of Chicago Exchange Options with columns for option name, price, and change. Includes sub-sections for 'Figures as of close of trading Friday, Jan. 17' and 'Option & price'.

Option & price

Table of option prices with columns for option name, price, and change. Includes sub-sections for 'Call' and 'Put'.

AMERICAN EXCHANGE OPTIONS

Table of American Exchange Options with columns for option name, price, and change. Includes sub-sections for 'Figures as of close of trading Friday, Jan. 17' and 'Option & price'.

Option & price

Table of option prices with columns for option name, price, and change. Includes sub-sections for 'Call' and 'Put'.

China Taiwan refers



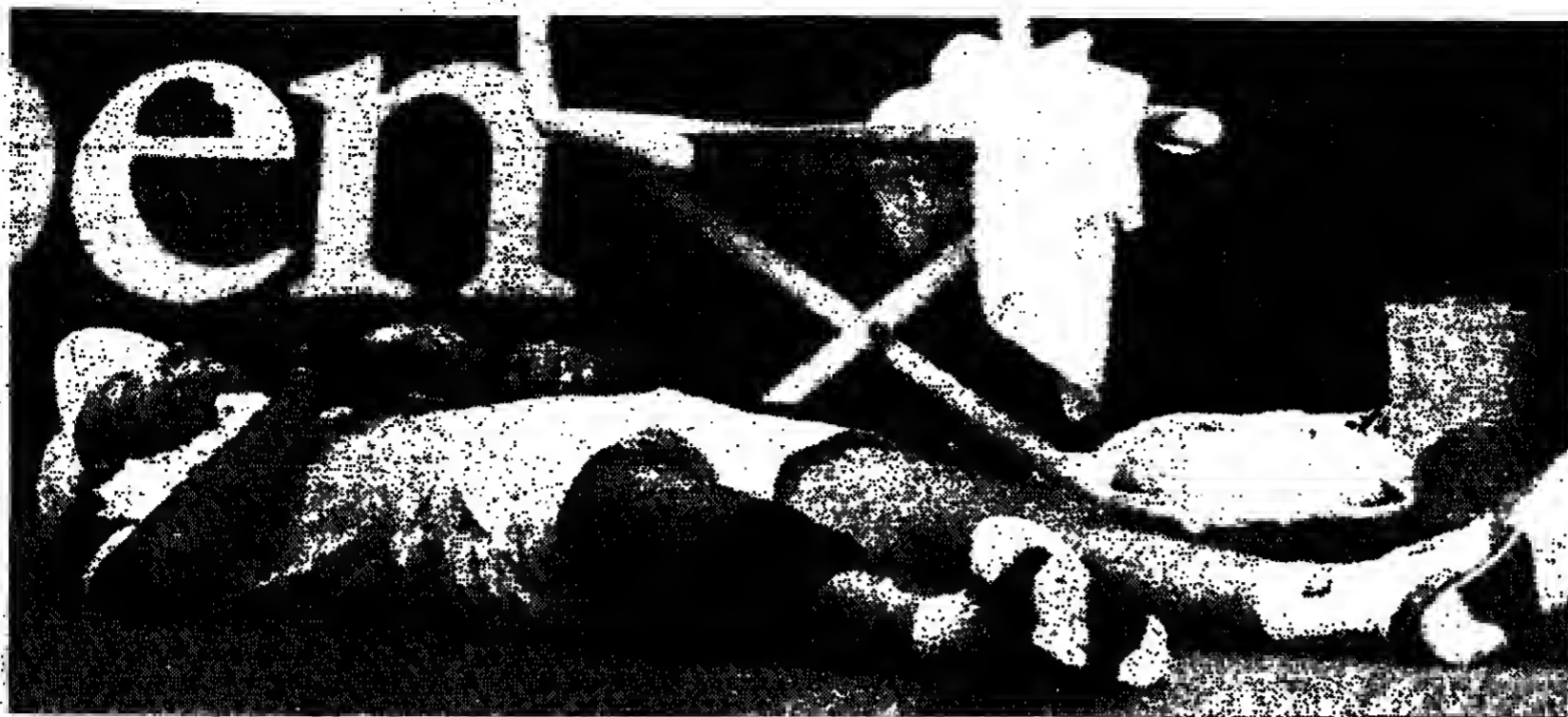




MONDAY SPORTS

The McMiracle Continues: A Cool Head Wins a Heated Crapshoot

MELBOURNE — John McEnroe, obeying his self-imposed gag order on court, remained cool in the blistering heat Sunday and pulled off a five-set, 4-hour, 41-minute McMiracle at the Australian Open.



John McEnroe, worn down but victorious after beating Emilio Sanchez, 7-5, 7-6 (7-4), 4-6, 2-6, 8-6, in a match that took almost five hours in heat of 124 degrees Fahrenheit.



Emilio Sanchez felt wain as his comeback fell short in the grueling fifth set. "I had my chance to win and I didn't take it," he said.

McEnroe, three games from a straight-set romp into the quarterfinals, endured a courageous comeback by Emilio Sanchez of Spain to win, 7-5, 7-6 (7-4), 4-6, 2-6, 8-6, on his sixth match point as the temperature reached 124 degrees Fahrenheit (51 centigrade).

McEnroe's Zen-like concentration, his ability to keep his fiery temper under control, impressed and surprised Sanchez as much as it did Becker two days earlier.

McEnroe lost the game and nearly the match. Sanchez blew two match points at 40-15 in the 12th game with a double-fault and a wildy mis-hit forehand.

In other matches, defending champion Monica Seles overcame an unusually high number of errors, 52, and seemed surprised by the net-attacking strategy of Leila Meskhi of Georgia.

Seles served poorly in the second set as the 13th-seeded Meskhi sent forehands deep to Seles' backhand, then came in to put volleys away.

Seles broke Meskhi in her first two service games of the third set for a 3-0 lead, holding her own service in between with her seventh ace on game-point.

SIDELINES

Larkin Gets \$25.6 Million Contract

CINCINNATI (Combined Dispatches) — Shortstop Barry Larkin and the Cincinnati Reds agreed Sunday to a \$25.6 million, five-year contract that makes him the fifth-highest paid player in baseball.

Gault Fails To Win U.S. Bobsled Slot

ALTENBERG, Germany — Willie Gault, the pro football wide receiver who battled in court for a chance to win a spot on the U.S. Olympic bobsled team, failed Sunday to make the squad.

Gault, who plays for the Los Angeles Raiders, finished eighth in a field of 11 slidders in the side-push competition in this eastern German winter resort.

Olympics' Ticket Target Is Reached

ALBERTVILLE, France (Reuters) — Organizers of the Winter Olympics next month have reached their financial target by selling 690,000 tickets for Games events, a spokesman said Sunday.

TALE OF TWO SHIVERS

The Buffalo Bills' coach, Marv Levy, left, and their general manager Bill Polian, battling snow and freezing cold between team practices in Orchard Park, New York.



The Buffalo Bills' coach, Marv Levy, left, and their general manager Bill Polian, battling snow and freezing cold between team practices in Orchard Park, New York.

AFC Sloshes to Victory in Senior Bowl

MOBILE, Alabama (AP) — Tyrone Williams, the first Canadian player invited to college football's Senior Bowl, scored on a 36-yard pass as the AFC sloshed its way to a 13-10 victory over the NFC on Saturday.

Red Star Fades From America's Cup

SAN DIEGO — Red Star '92, the syndicate that was to represent Russia in the America's Cup competition, appeared to have failed in its effort to mount a challenge following the cancellation of the fight that was to have delivered its boat.

Campbell Outshoots Wales

PHILADELPHIA — With Don Beaupre of the Washington Capitals allowing six second-period goals, the Campbell Conference defeated the Wales Conference squad, 10-6, in the National Hockey League's All-Star Game.

Both Wins Tornado Title

Mitch Booth of Australia, who clinched the title in Saturday's penultimate heat, broke a boom and had to retire from Sunday's final race of the world Tornado yachting championship.

For the Record

Isabelle and Paul Duchesnay, the world champion dance skaters representing France, will not compete in the European Championship starting Tuesday in Lausanne because Paul Duchesnay has a muscle injury in his leg.

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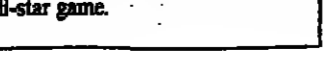
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Tomba Triumphs In Austria Slalom

KITZBUHEL, Austria — Alberto Tomba of Italy skied to victory Sunday in a World Cup slalom, triumphing in both heats and becoming Italy's first slalom winner here in 17 years.

Tomba posted times of 46.38 seconds in the first, 57-flag run, and 49.09 seconds in the second, 60-flag leg, for an overall total of 1:35.47.

Patrice Bianchi of France came in second, with runs of 46.81 and 50.04 for 1:36.85. Finishing third was Armin Bittner of Germany, the winner here in 1989, who clocked 1:37.14.

But Paul Accola of Switzerland, who finished fifth in 1:37.40, extended his lead over Tomba in the overall World Cup standings with first place in the combination event that included Saturday's downhill.

Tomba's best previous finish here was second in 1989. "It's a great feeling when you come down in the best time and you hear the fans roaring," he said.

Schneider Wins 2d Slalom

Vreni Schneider of Switzerland, favorite in the women's slalom and giant slalom at the Olympics, won the slalom Saturday in Maribor, Slovenia. The Associated Press reported.

It was her second slalom victory this season.

Schneider was in third place after the first heat, with 36.51 seconds, but was fastest in the second, with 38.41, for a total of 1:14.92.

"My second run was perfect," she said. "I made some mistakes in the first."

Deborah Compagnoni of Italy finished second with 1:15.80. Pernilla Wiberg of Sweden was third at 1:15.89.

It was the first World Cup skiing event to be held in the internationally recognized independent republic of Slovenia.



LANGUAGE

The Ex-Pluperfect Past Tense

By William Safire

WASHINGTON — The British interviewer David Frost likes to give the impression of relaxation when interrogating world leaders on television. Yet in his most recent annual chat with President Bush, the

moment the show began, with the had, the question locates that asking back at the fateful time Bush is Saddam off the hook.

The president must have recognized the pluperfect tense being used in the question, and saw the trap closing to get him to admit a mistake; instead, he answered in the past conditional tense: "out of there would have been nice." He then stumped us all and caused panic among the Iraqi interpreters by identifying the would have been as "ex-pluperfect past tense."

There is, of course, no "ex-pluperfect past tense." As we have seen, there is a pluperfect, which can also be called past perfect ("out of there had been nice").

In President Bush's words, getting Saddam Hussein "out of there" would have been nice. . . I mean, sure."

There is a present perfect, which means it was completed just now ("out of there has been nice"), and there is a future perfect ("out of there will have been nice"). It's not complicated: had is past, has and have are present, will have is future — and all are used to make the tense perfect, or complete, or more specific.

Bush undoubtedly knows this; he went to Phillips Academy in Andover, Massachusetts, where they still teach this stuff. Why, then, did he characterize Frost's question ("you had asked," in the pluperfect) or his own response ("would have been," in the past conditional) as "ex-pluperfect past tense?"

For the same reason he drops his participial "I don't know what dramatic change that would have made in terms of getting Saddam out of there." For the same reason he munches pork rinds and swills beer at campaign time. For the same reason many educated speakers adopt self-mocking, slinks-I'm-not-one-of-those-grammatical-types mannerisms: to avoid the appearance of elitism.

Pluperfect, with its nice enclosure of retrospection, is a word that fairly reeks of grammar; it is a misused staple of old jokes about hungry visitors to Boston asking cabbies where to get sorrod ("first time I heard that in the pluperfect, mister"). By deriding his own understanding of tenses, the patriotic Bush adopts a regier feller pose. (Remember when George McGovern took a flock of photographers and hired a hot dog and a glass of milk? Same cross-cultural awkwardness.)

The president, sensitive to the powerful "iffiness" of Frost's question in the pluperfect, chose to characterize his own past-conditional response in a self-derogating, grammar-spoofing way. He is equally sensitive to labels that would be welcomed by centrists. When reminded by the interviewer that a right-wing columnist had described him as a "moderate," and asked if he liked that description, Bush replied: "No, it depends what it relates to. I'm basically conservative and I've always been that way."

Have always been is the present perfect; had always been would be pluperfect.

New York Times Service

Deborah Warner: Investigating 'Electra'

PARIS — The words director or metteur en scene suggest a certain imposition: a piece of work must be brought to order and often broken to conform to a personal vision. Deborah Warner, who at 32 is Britain's finest young classical director, does not use the verb "to direct" and she always



Director Warner: "I see my job as releasing the text to the audience."

MARY BLUME says she looks at a play. She is an investigator along the lines of Peter Brook, whom she admires, but while Brook's searches take him far beyond the actual stage, Warner's way is finely and audaciously to probe the text.

"I suppose that what I try to do in my work is allow a finished production to speak for itself in the way that the text would speak for itself on a shelf," she says. She does not seek a definitive version of a text. "I see my job as releasing the text to the audience, to people who will respond differently."

After a short stay at the Riverside in London, her staging of the "Electra" of Sophocles is at suburban Bobigny until Jan. 25. In Mycenae, the palace of King. Electra (Fiona Shaw) is a keening living sore: "wild, shameless and impetuous," her mother Clytemnestra inadequately calls her, looking as fretfully insolent as a Persian cat.

The play, in a spare modern translation by Kenneth McLeish, is an almost unbearably painful 90 minutes, ending with a brief moment of transcendent beauty and harmony. As in Britain, everyone has seen something different in it: one member of the audience told Warner that it was an anatomy of grief. The critic of Le Monde described Electra as incredibly immodest while finding Shaw's interpretation totally accurate, if ill-kempt.

"What I hope is right about this production," Warner says, "is that I think it means very different things to different people without in any way reducing the event and making it vague."

Warner is tall with a clever face and at its best her work is both radical and wise. The Guardian has called her the great hope of the British theater. It is of course a very nice thing to be called but she knows quite well that such a title can also imply expectations and constraints.

"Whatever their expectation may be, I hope I don't repeatedly fulfill it," she says, laughing. "I do aim to surprise myself so I hope I'll be surprising others. I do tend to go for the choice that alarms me, quite consciously. The excitement lies in solving the riddles in a difficult text, or more significantly, I sometimes get fascinated by why it is that such and such a piece is a classic and is meant to be so remarkable." An example is "Hedda Gabler" which

Fiona Shaw and Warner's designer, Hildegarde Bechtler, told her she was worth doing. "I said, no it is not. And they persuaded me to have a look at it."

Warner and Bechtler and Shaw did "Hedda Gabler" in 1991, in Dublin and London; what Warner had dismissed as Hedda's blandness became the focus, the antidote to the more conventional view of Hedda as an outsized grotesque.

"Hedda's tragedy is that she is a coward and Hedda's tragedy is that she knows it." At that point for Warner the play became great again: Hedda became everyone, not merely a caged tiger. "I think Hedda is one of the most boring characters ever written on paper because she says nothing of any interest at all, which is not to say she's not interesting. I have enormous sympathy for Hedda. I think she stands for my mother's generation of women who were extremely important and not brave enough to do anything about it. If you like, that's very political but Hedda's not political. If she had been, she might have been better."

There are several remarkable features about Warner's shorter career. One is that she has worked with the Royal Shakespeare Company and is an associate director of the National Theatre, she is regularly free-lance at considerable financial sacrifice (her "Electra" cast is working for the union minimum wage of £183 (about \$330) a week; this is something one cannot ask actors to do often or for long). Another is that she does not direct contemporary work. A third is that she likes to come back and have another look at a play;

she has done a couple of "King Lear's," a couple of "The Good Person of Szechuan" and is now on her second "Electra," the first having been produced in the PSC's tiny Pit theater in 1988.

The first production played only 23 performances and Warner was surprised to find revisiting it a pleasant experience. "I suppose that tells one that it's lived somewhere in one and had to be exercised. It was in the way." After Paris, the company will briefly tour the United Kingdom (an invitation from the Brooklyn Academy never materialized) and then the production will be laid to rest. Forever, Warner says.

The Greek classics are notoriously difficult and Warner says "Electra" still made no sense several weeks into rehearsal. One she's not interested, I have enormous sympathy for Hedda. I think she stands for my mother's generation of women who were extremely important and not brave enough to do anything about it. If you like, that's very political but Hedda's not political. If she had been, she might have been better."

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"I think the theater is often not brave enough and I suppose that is why it doesn't engage us emotionally in the end. You have to be brave with this stuff for it's quite embarrassing. We've all seen produc-

tions of Greek plays that are simply embarrassing and have led people to say that the size of the emotional situations is such that you can't play them. Well, you can if you are willing."

Warner was born in 1959, just as the British theater was entering a thrilling stage with the RSC doing experimental work within the establishment framework and the birth of the National Theatre. The first truly memorable production she saw as a child was Peter Brook's "A Midsummer Night's Dream" ("It was marvelous," speaks nine-year-old," she says). This and other seminal productions made her think it would be wonderful to direct, which she began to do after studying stage management at the Central School and after confirming her suspicion that she cannot act by being very bad in a variety of roles in "The Caucasian Chalk Circle."

From 1980 to '86 she ran Kick Theatre, so named because she was cross at the way the classics were done — one of her recruits was Fiona Shaw who had graduated brilliantly from the Royal Academy of Dramatic Art and played in Warner's second production of "Woyzeck." She knew nothing about directing and instead of trying to make the actors listen to her she listened to them. "To this day," she says, "I would never make a speech on the first day of rehearsal because I don't think the director telling the actors what a thing is going to be like is sane or proper. Nobody knows what it's going to be like, and anyway the actors are going to be making it."

During rehearsals she has the actors read each other's parts: Shaw, for example, exchanged roles with the Clytemnestra and with her stage sister, Chrysothemis. For the revival Shaw read the Chorus which Warner had been neglected the first time.

Because in "Electra" she is using a modern translation, Warner feels she is dealing with a contemporary writer although she does not attempt to deflect criticism for not doing contemporary plays. "I think there is a tremendous responsibility in the theater for directing new work, but I don't think that means every director is responsible for directing new work," she says. "Some are better suited to it than others."

"And, much more important, I haven't done it because of course I will, I have difficulty finding new plays that are of the size, which is not to say that in the coming decade they won't be there."

She has also avoided comedy except for the black comedy in "Tinus Andronicus." She says she would love to look at "As You Like It" and "Twelfth Night" although she does not know how comic the result will be. "I'd like to look there although mind you when I do I know I'll be looking at what is so obviously there, which is the very dark side of those plays."

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